

### **Privacy Act Statement**

Title 5, U.S. Code, Chapter 83, Civil Service Retirement authorizes the solicitation of this information. The data you furnish will be used to identify records properly associated with this application, to obtain additional information if necessary, and to determine if you are eligible to make voluntary contributions to the Civil Service Retirement and Disability Fund. This information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies to determine and issue benefits under their programs or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of the civil or criminal law. Executive Order 9397 (November 22, 1943) authorizes use of the Social Security Number. Furnishing the Social Security Number as well as other data is voluntary; however, failure to supply all of the requested information may delay or prevent approval of your application.

## Information Regarding Voluntary Contributions

### Civil Service Retirement System

#### What They Are

Voluntary contributions are optional payments to the Civil Service Retirement and Disability Fund made in addition to the regular deductions from your salary. They are used only to purchase additional annuity at retirement. This additional annuity is added

#### Who May Make Voluntary Contributions

Active employees covered under the Civil Service Retirement System (CSRS) or retired employees whose applications for retirement are being adjudicated may make voluntary contributions, provided the Application to Make Voluntary Contributions, SF 2804, has been approved by OPM. (Note: Even if an employee opened a voluntary contributions account before separating from service, he or she cannot make any additional contributions following separation except at the time that he or she is eligible to actually receive a retirement annuity and has filed an application for that annuity with OPM.) No monies will be accepted until the SF 2804 is approved. OPM will not approve an application from anyone who, although otherwise eligible, (1) has not deposited amounts covering all civilian service performed by the applicant or (2) has previously received a refund of voluntary contributions, unless the applicant was separated for more than three calendar days and was again employed in a position subject to the CSRS after the refund was paid. Note that employees covered by or retiring under the Federal Employees' Retirement System are not eligible

#### How Voluntary Contributions Are Made

As long as you are eligible, you may make voluntary contributions at regular intervals or whenever you wish. They cannot be deducted from your salary. Each payment must be in multiples of \$25 (i.e., \$50, \$75, \$100, etc). Do not attempt to make payments before your application has been accepted by OPM; if you do, your payment will be returned. Once your application is accepted, you will be assigned an account number and OPM will provide you with instructions for making payments.

#### Limit on Contributions

Your total contributions cannot be more than 10 percent of the total of your basic civilian salary received as of the date any contribution is made. You cannot make contributions based on anticipated future earnings. OPM will compute your limitation when you retire or close out your account. We will accept the contributions you make; however, when you retire or close out your account, any amount found to be in excess of your limit will be refunded, without interest.

#### Refund of Contributions

You may apply for and be paid a refund of all (not just a part) of your voluntary contributions plus earned interest at any time before you retire and receive additional annuity. Please note that you will not receive interest on the amount of your deposits that exceed the 10 percent limitation. If you are paid such a refund, you cannot again make voluntary contributions unless you are separated for more than 3 calendar days and are then reemployed in a position subject to CSRS.

#### Interest

Your voluntary contributions account earns interest at a rate of 3 percent a year through December 31, 1984. Thereafter, your account earns interest at a rate equal to the average yield earned by new investments purchased by the Civil Service Retirement and Disability Fund during the preceding fiscal year. Interest begins to accrue on the date your voluntary contributions are deposited by OPM. Interest is compounded annually on December 31 of each year.

As a general rule, your voluntary contributions stop earning interest on the earliest of the following dates: (1) the date OPM authorizes payment of a refund of your voluntary contributions; (2) the date you separate from Federal service; and (3) the date you transfer to a position not subject to CSRS (or FERS). Sole exception: if you separate from Federal service with entitlement to a deferred annuity commencing at age 62 and do not elect a refund of voluntary contributions, interest will continue to accrue to your annuity commencing date (62nd birthday) or your death, whichever is earlier. (Note: In the case of a separated employee with title to a deferred annuity who receives a refund of voluntary contributions - either before or after reaching age 62 - the general rule applies and no interest is payable for the time beyond the date of his or her separation from service.)

#### If You Die

In the event of your death at any time before retirement, your voluntary contributions and accrued interest are payable immediately in a lump sum. The money cannot be used to buy additional survivor annuity for your widow(er) or children. No interest accrues after your death.

#### At Retirement

The amount of additional annuity purchased with your voluntary contributions and interest depends upon your age at the time you retire and, once fixed, it does not change as you grow older. If you retire at age 55 or younger and do not elect a survivor's voluntary contributions annuity benefit, each \$100 to your credit will purchase \$7 a year of additional annuity. This additional annuity increases by 20 cents for each full year you are over 55 when you retire. Thus if you retire at age 60, each \$100 will purchase \$8 a year of additional annuity; at age 62, \$8.40 a year; and at age 70, \$10 a year. The additional annuity is payable for as

#### Additional Survivor Annuity

When you retire, you may elect to share your additional annuity with your spouse or any other person. If you do, your own additional annuity will be reduced and, at your death, the person you named when you retired will be paid half your additional annuity for the rest of his or her life. The reduction in your additional annuity will depend on the difference in ages between you and the person you name, as shown in the following table:

	Percent
Older, same age, or less than 5 years younger .....	10
5 but less than 10 years younger .....	15
10 but less than 15 years younger .....	20
15 but less than 20 years younger .....	25
20 but less than 25 years younger .....	30
25 but less than 30 years younger .....	35
30 or more years younger .....	40

### Death After Retirement

Any voluntary contributions or interest not paid back in the form of additional annuity to you or to your named survivor will be refunded in a lump sum.

### Federal Taxation of Voluntary Contributions

If you take a refund of voluntary contributions, any accrued interest is taxable in the year in which it is received. Also, if you receive the refund prior to the time you attain age 59 1/2, the interest portion of the refund is subject to an additional 10 percent early distribution tax. However, the following situations are exceptions to this 10 percent tax:

1. payments on account of disability (as defined by the Internal Revenue Service Code);
2. monthly additional annuity payments elected at the time of retirement (rather than a lump sum payment of the Voluntary Contributions account);

3. payments after separation from service during or after the year in which you attain age 55.

To determine whether the 10 percent tax applies, you should get Form 5329 (and instructions) from your local Internal Revenue Service office. The interest portion of the refund would be eligible for rollover treatment if it constituted a qualified total distribution so that your entire balance (i.e., regular deductions, as well as optional voluntary contributions) to your credit in the Civil Service Retirement System was distributed within one taxable year on account of your death, attainment of age 59 1/2, separation from service, or disability. If you will receive an additional annuity as a result of your voluntary contributions, it will be taxed under the "General Rule." Please refer to IRS Publication 721, "Tax Guide to U.S. Civil Service Benefits" for further information. Payments to survivors are not subject to the

You can use the area below to keep a record of voluntary contributions payments.

Account Number CSV - \_\_\_\_\_

Payments		Amount of Payment	Total to Date
No.	Date		
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			

Payments		Amount of Payment	Total to Date
No.	Date		
19			
20			
21			
22			
23			
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**Detach this information sheet and keep it for future reference.**